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x \$10 x .05) for 7500 type D contracts; and \$1000 (=10,000 x \$10 x .01) for 10000 type E contracts—for a total upfront payment of \$24,250. /

IN THE CLAIMS:

Please replace the previous version of the claims with the following clean version, wherein claims 1-15, 17, 18, 20-40, 42, 44, 54, 55, 60, 65-70, 72, 75-81, 83, 84, 86, 87, 93-95 incorporate new amendments thereto, claims 31-34 have been cancelled, and claims 96-101 have been added.

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1. (Amended) A method of conducting business comprising the steps of:
establishing a computer-network based contract trading system electronically accessible by prospective traders;
selling, over said trading system, contract bundles, each contract bundle comprising at least two contracts;
subsequent to a sale of said contract bundles, accepting for resale over said trading system, any of said contracts;
reselling, over said trading system, accepted contracts;
settling said contracts; and
assessing, for at least one of said contract bundle sale and said contract resale, a transaction fee therefor.

2. (Amended) The method of claim 1, wherein the step of establishing a computer-network based contract trading system electronically accessible by prospective traders includes establishing a computer-network based contract trading system electronically accessible by prospective traders via at least the internet.

3. (Amended) The method of claim 2, wherein the step of selling, over said trading system, contract bundles includes the step of providing a user interface that allows prospective traders to access said contract trading system.

4. (Amended) The method of claim 3, wherein the step providing a user interface that allows prospective traders to access said contract trading system includes providing a world-wide-web user interface.

5. (Amended) The method of claim 3, wherein said user interface allows any computer-network user to view information about contract bundles and contracts for sale on said trading system.

6. (Amended) The method of claim 3, wherein said user interface allows only predetermined computer-network users to view information about contract bundles and contracts for sale on said trading system.

7. (Amended) The method of claim 1, wherein the step of selling contract bundles, includes selling a contract bundle comprising at least two contracts, each of said at least two contracts corresponding to one of at least two future possible outcomes of a phenomenon at a time of maturity thereof, said contract bundle being defined to pay an aggregate fixed sum at maturity, each of said at least two contracts paying said fixed sum at maturity upon the happening of the future possible outcome of said phenomenon associated with that contract, each of said at least two contracts paying a zero sum at maturity upon the non-happening of the future possible outcome of said phenomenon associated with that contract.

8. (Amended) The method of claim 7, further comprising the step of: receiving data from a prospective customer identifying a predetermined phenomenon for which a contract is desired, the phenomenon having at least two future possible outcomes at a time of maturity.

9. (Amended) The method of claim 8, wherein the step of selling contract bundles, includes selling a contract bundle comprising at least two contracts, each of said at least two contracts corresponding to one of said at least two future possible outcomes of said predetermined phenomenon at a time of maturity thereof.

10. (Amended) The method of claim 8, further comprising the step of: determining, prior to a sale of a contract bundle thereon, whether said predetermined phenomenon for which a contract is desired is suitable for the issuance of contracts thereon.

11. (Amended) The method of claim 7, wherein said phenomenon has a recurring regular occurrence and wherein said method further comprises the steps of: selling over said trading system, a plurality of contract bundles, each contract bundle comprising at least two contracts, at least one of said plurality of contract bundles having a time period from a sale thereof to an expiration thereof which partially overlaps the time period from a sale of another of said plurality of contract bundles until an expiration of said another of said plurality of contract bundles, said at least one of said

plurality of contract bundles corresponding to a first periodic occurrence of said phenomenon and said another of said plurality of contract bundles corresponding to a second periodic occurrence of said phenomenon.

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12. (Amended) The method of claim 11, wherein for each one of said plurality of contract bundles, a corresponding expiration thereof corresponds to a timing of a specific periodic occurrence of said phenomenon associated therewith.

13. (Amended) The method of claim 12, further comprising the step of: selling, over said trading system, a contract bundle associated with a specific periodic occurrence of said phenomenon at substantially the same time as an expiration of a contract bundle associated with another periodic occurrence of said phenomenon.

14. (Amended) The method of claim 1, wherein the step of selling contract bundles and the step of settling said contracts are accomplished in a credit-risk free manner.

15. (Amended) The method of claim 1, wherein:
the step of selling contract bundles comprises selling contract bundles on margin;
and
the step of selling contract bundles and the step of settling said contracts are accomplished in a credit-risk manner.

16. The method of claim 1, further comprising the step of accepting from a prospective trader indicia of the identity of at least one prospective counterparty.

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17. (Amended) The method of claim 16, wherein the step of reselling, over said trading system, said accepted contracts includes reselling, over said trading system, said accepted contracts only to prospective traders having identities corresponding to said indicia.

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18. (Amended) The method of claim 1, wherein the step of establishing a computer-network based contract trading system electronically accessible by prospective traders includes establishing a computer-network based contract trading system accessible only by predetermined groups of prospective traders.

19. The method of claim 18, wherein said predetermined groups of prospective traders are selected from the group consisting of predefined and prequalified prospective traders.

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20. (Amended) The method of claim 1, further comprising the steps of:
introducing a plurality of new contracts to the market as a split of an existing contract, an aggregate liquidation value of the plurality of new contracts equaling the liquidation value of the existing contract which was split.

21. (Amended) The method of claim 20, further comprising the steps of:
concurrent with said step of introducing said plurality of new contracts to the market as a split of an existing contract, retiring said existing contract which was split.

22. (Amended) The method of claim 1, further comprising the step of:
receiving at least two existing contracts prior to a maturity thereof; and
introducing a new contract to the market as a combination of said at least two existing contracts, a liquidation value of the new contract equaling an aggregate of the liquidation value of said at least two existing contracts.

23. (Amended) The method of claim 22, further comprising the step of:
soliciting, over said trading system, prospective traders for delivery of said at least two existing contracts, which together represent a contract bundle, prior to a maturity thereof.

24. (Amended) The method of claim 1, wherein said step of settling said contracts includes settling said contracts at an expiration thereof.

25. (Amended) The method of claim 1, wherein said step of settling said contracts includes accepting said contract bundles for redemption prior to an expiration thereof.

26. (Amended) The method of claim 1, further comprising the step of:
providing a market authority for mediating any dispute related to said contracts.

27. (Amended) The method of claim 1, wherein the step of establishing a computer-network based contract trading system electronically accessible by prospective traders includes establishing a computer-network based contract trading system accessible by non-trading observers.

28. (Amended) In a computer network-based contract trading system, including a communications interface, a plurality of processing modules for formation, sale, resale and settlement of contracts and contract bundles, each of said contract bundles comprising at least two contracts, the improvement comprising:

means for enabling market participants to trade contracts directly with other market participants, and not through third parties.

29. (Amended) In a computer network-based contract trading system, including a communications interface, a plurality of processing modules for formation, sale, resale and settlement of contracts and contract bundles, each of said contract bundles comprising at least two contracts, the improvement comprising:

means for receiving input from a prospective trader defining a contract bundle directed to a phenomenon having at least two future possible outcomes at a time of maturity of said contract bundle.

30. (Amended) In a computer-based contract trading system to enable the formation, sale, resale and settlement, and optionally split, of risk management contracts, the system comprising:

a communications interface for sending and receiving data;
processor apparatus for executing processing modules;

a first processing module for receiving data to define a desired contract for a predetermined phenomenon, the phenomenon having at least two future possible outcomes at a time of maturity;

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a second processing module, responsive to said first processing module, for generating a specific contract bundle based on said received data, said contract bundle comprising at least two contracts, each of said at least two contracts corresponding to one of said at least two future possible outcomes of said phenomenon at the time of maturity, said contract bundle being defined to pay an aggregate fixed sum at maturity, each of said at least two contracts paying said fixed sum at maturity upon the happening of the future possible outcome of said phenomenon associated with that contract, each of said at least two contracts paying a zero sum at maturity upon the non-happening of the future possible outcome of said phenomenon associated with that contract;

a third processing module for offering for sale and for selling said specific contract bundle to a trader;

a fourth processing module for accepting for resale from a trader and for reselling on behalf of said trader contracts previously sold as part of a contract bundle;

a fifth processing module for accepting contracts for settlement thereof; and

a sixth processing module for assessing, for at least one of said contract bundle sale and said contract resale, a transaction fee therefor.

31. (Amended) The computer-based contract trading system of claim 30, wherein said communications interface includes at least the Internet.

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35. (Amended) A method of providing risk hedging capability to prospective traders comprising the steps of:

receiving data from a prospective trader identifying a predetermined phenomenon for which a contract is desired, the phenomenon having at least two future possible outcomes at a time of maturity;

selling contract bundles, each contract bundle comprising at least two contracts, each of said at least two contracts corresponding to one of said at least two future possible outcomes of said phenomenon at a time of maturity thereof;

subsequent to a sale of said contract bundles, accepting for resale from a trader over said trading system, any of said contracts;

reselling on behalf of said trader, over said trading system, accepted contracts at a then prevailing market price;

subsequent to a resale of said accepted contracts, publishing said then prevailing market price;

settling said contracts; and

assessing, for at least one of said contract bundle sale and said contract resale, a transaction fee therefor.

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36. (Amended) In a computer-based contract trading system comprising:

a user interface front end, said front end providing interface to at least a new instrument application, an order placement application, a bundle sale redemption and expiration application, a clearing application, an administrative application, and a surveillance application;

an order management and processing system, said order management and processing system including a validation subsystem, an order routing subsystem, and an order matching subsystem;

a contract expiration management system for recording ownership of traded contracts, for notifying contract owners of the expiration thereof, and for communicating with a settlement bank directing the bank to transfer funds in accordance with the settlement value of said contracts; and

a surveillance system.

37. (Amended) A computer-based contract trading system in accordance with claim 36, wherein said administrative application includes:

means for undertaking limited inquiry into all market transactions;

means for suspending and resuming trading in particular contracts or the market as a whole;

means for suspending, resuming or terminating account privileges;

means for suspending contract payouts;

means for amending and overriding calculated settlement prices and redistributing funds; and

means for distributing announcements to market participants.

38. (Amended) A computer-based contract trading system in accordance with claim 37, wherein said surveillance system includes:

means for viewing pending bid and offer orders;

means for viewing the details of all transactions;

means for viewing all electronic bulletin board postings;

means for defining and tracking alerts for specific events including transaction patterns; and

means for investigating alerts.

39. (Amended) A computer-based contract trading system in accordance with claim 36, further comprising:

means for interfacing with a point of sale terminal that is adapted to receive an indicator of trader identity and a contract to be settled.

40. (Amended) A computer-based contract trading system of claim 39, further comprising:

at least one point of sale terminal communicatively connected to said means for interfacing with a point of sale terminal.

41. A method of conducting business comprising the steps of:

establishing a computer-network based coupons trading system electronically accessible by prospective traders;

selling, over said trading system, coupons;

reselling, over said trading system, at least a portion of said coupons;

settling said coupons; and

assessing, for at least one of said coupon sale and said coupon resale, a transaction fee therefor.

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42. (Amended) The method of claim 41, wherein the step of establishing a computer-network based coupons trading system electronically accessible by prospective traders includes establishing a computer-network based coupons trading system electronically accessible by prospective traders via at least the internet.

43. The method of claim 42, wherein the step of selling, over said trading system, coupons includes the step of providing an interface that allows prospective traders to access said coupons trading system.

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44. (Amended) The method of claim 43, wherein the step providing a user interface that allows prospective traders to access said coupons trading system includes providing a world-wide-web user interface.

45. The method of claim 43, wherein said user interface allows any computer-network user to view information about coupons for sale on said trading system.

46. The method of claim 43, wherein said user interface allows only predetermined computer-network users to view information about coupons for sale on said trading system.

47. The method of claim 41, further comprising the step of accepting said coupons for settlement thereof includes accepting said coupons for settlement at an expiration thereof.

48. The method of claim 47, further comprising the step of:
redeeming the coupons through a web-based electronic interface.

49. The method of claim 41, wherein said step of accepting said coupons for settlement thereof includes accepting said coupons for settlement prior to an expiration thereof.

50. The method of claim 49, further comprising the step of:
redeeming the coupons through a web-based electronic interface.

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51. (Amended) The method of claim 41, further comprising the step of
accepting said coupons for settlement on demand in a predesignated maturity period.

52. The method of claim 51, further comprising the step of:
redeeming the coupons through a web-based electronic interface.

53. The method of claim 41, further comprising the step of:
determining, prior to a sale of a coupon thereon, whether said predetermined
phenomenon for which a coupon is desired is suitable for the issuance of coupons thereon.

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54. (Amended) The method of claim 41, wherein said phenomenon has a
regular recurring occurrence and wherein said method further comprises the steps of:
selling over said trading system, a coupon having a time period from a sale thereof
to an expiration thereof which partially overlaps a time period from a sale of another
coupon until the expiration of said another coupon.

55. (Amended) The method of claim 54, wherein for each one of a plurality of
coupons sold, a corresponding expiration thereof corresponds to a timing of a specific
periodic occurrence of said phenomenon associated therewith.

56. The method of claim 55, further comprising the step of:
selling, over said trading system, coupons associated with a specific periodic
occurrence of said phenomenon at substantially the same time as an expiration of coupons
associated with another periodic occurrence of said phenomenon.

57. The method of claim 41, wherein the step of selling coupons and the step of
settling said coupons are accomplished in a credit-risk free manner.

58. The method of claim 41, wherein:
the step of selling coupons comprises selling coupons on margin; and
the step of selling coupons and the step of settling said coupons are accomplished
in a credit-risk manner.

59. The method of claim 41, further comprising the step of accepting from a
prospective trader indicia of the identity of at least one prospective counterparty.

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60. (Amended) The method of claim 59, wherein the step of reselling, over
said trading system, said any of said coupons includes reselling, over said trading system,
said any of said coupons only to prospective traders having identities corresponding to
said indicia.

61. The method of claim 41, wherein the step of establishing a computer-
network based coupons trading system electronically accessible by prospective traders
includes establishing a computer-network based coupons trading system accessible only
by predetermined groups of prospective traders.

62. The method of claim 41, wherein said predetermined groups of prospective
traders are selected from the group consisting of predefined and prequalified prospective
traders.

63. The method of claim 41, further comprising the step of:
providing a promoter for mediating any dispute related to said coupons.

64. The method of claim 41, further comprising the step of:
interfacing with a point of sale terminal to receive an indicator of trader identity
and a coupon to be settled.

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65. (Amended) In a computer-network based coupon trading system, comprising:

computer means;

means for selling, over said trading system, coupons;

means for reselling, over said trading system, said coupons;

means for settling said coupons; and

means for assessing, for at least one of said coupon sale and said coupon resale, a transaction fee therefor.

66. (Amended) A computer-network based coupon trading system in accordance with claim 65, further comprising:

means for interfacing with a point of sale terminal that is adapted to receive an indicator of trader identity and a coupon to be settled;

wherein said means for settling said coupons is responsive to a communication from a point of sale terminal received via said means for interfacing.

67. (Amended) A computer-network based coupon trading system of claim 66, further comprising:

at least one point of sale terminal communicatively connected to means for interfacing with a point of sale terminal.

68. (Amended) A computer-based coupon trading system of claim 65, further comprising:

means for allowing a computer-network user to view information about coupons for sale on said trading system.

69. (Amended) A computer-based coupon trading system of claim 68, further comprising:

means for allowing only predetermined computer-network users to view information about coupons for sale on said trading system.

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70. (Amended) A method of conducting business comprising the steps of:
establishing a computer-network based restricted clientele contracts trading system electronically accessible by prospective qualified traders;
selling, over said trading system, at least one restricted clientele contract bundle;
reselling, over said trading system, at least one restricted clientele contract;
settling, over said trading system, at least one restricted clientele contract; and
assessing, for at least one of said restricted clientele contract bundle sale and said restricted clientele contract resale, a transaction fee therefor.

71. The method of claim 70, wherein the step of establishing a computer-network based restricted clientele contract trading system electronically accessible by prospective qualified traders includes establishing a computer-network based restricted clientele contract trading system electronically accessible by prospective qualified traders via at least the internet.

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72. (Amended) The method of claim 71, wherein the step of selling, over said trading system, at least one restricted clientele contract bundle includes the step of providing an interface that allows prospective qualified traders to access said restricted clientele contract trading system.

73. The method of claim 72, wherein the step providing a user interface that allows prospective qualified traders to access said restricted clientele contract trading system includes providing a world-wide-web user interface.

74. The method of claim 72, wherein said user interface allows any computer-network user to view information about restricted clientele contracts for sale on said trading system.

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75. (Amended) The method of claim 72, wherein said user interface allows only predetermined qualified computer-network users to view information about restricted clientele contract bundles and restricted clientele contracts for sale on said trading system.

76. (Amended) The method of claim 70, wherein the step of settling said restricted clientele contract includes settling said restricted clientele contract at an expiration thereof.

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77. (Amended) The method of claim 76, further comprising the step of:
settling the restricted clientele contract through a web-based electronic interface.

78. (Amended) The method of claim 70, wherein said step of settling said restricted clientele contract includes redeeming said restricted clientele contract bundle prior to an expiration thereof.

79. (Amended) The method of claim 78, further comprising the step of:
redeeming said restricted clientele contract bundle through a web-based electronic interface.

80. (Amended) The method of claim 70, further comprising the step of settling said restricted clientele contract includes accepting said restricted clientele contract for settlement on demand in a predesignated maturity period.

81. (Amended) The method of claim 80, further comprising the step of:
settling the restricted clientele contract through a web-based electronic interface.

82. The method of claim 70, further comprising the step of:
determining, prior to a sale of a restricted clientele contract thereon, whether said predetermined object for payment for which a restricted clientele contract is desired is suitable for the issuance of restricted clientele contract thereon.

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83. (Amended) The method of claim 70, wherein said phenomenon has a recurring regular occurrence and wherein said method further comprises the steps of:
selling over said trading system, a restricted clientele contract bundle associated with a phenomenon having a time period from a sale thereof to an expiration thereof which partially overlaps a time period from a sale of another restricted clientele contract

bundle associated with said phenomenon until the expiration of said another contract bundle.

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84. (Amended) The method of claim 83, wherein for each one of a plurality of restricted clientele contract bundles sold, a corresponding expiration thereof corresponds to a timing of a specific periodic occurrence of said phenomenon associated therewith.

85. The method of claim 84, further comprising the step of:
selling, over said trading system, a restricted clientele contract associated with a specific periodic occurrence of said phenomenon at substantially the same time as an expiration of a restricted clientele contract associated with another periodic occurrence of said phenomenon.

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86. (Amended) The method of claim 70, wherein the step of selling a restricted clientele contract bundle and the step of settling said restricted clientele contract are accomplished in a credit-risk free manner.

87. (Amended) The method of claim 70, wherein:
the step of selling a restricted clientele contract bundle comprises selling a restricted clientele contract bundle on margin; and
the step of selling a restricted clientele contract bundle and the step of settling said restricted clientele contract are accomplished in a credit-risk manner.

88. The method of claim 70, further comprising the step of accepting from a prospective qualified trader indicia of the identity of at least one prospective counterparty.

89. The method of claim 88, wherein the step of reselling, over said trading system, a restricted clientele contract includes reselling, over said trading system, said restricted clientele contract only to prospective qualified traders having identities corresponding to said indicia.

90. The method of claim 70, wherein the step of establishing a computer-network based restricted clientele contract trading system electronically accessible by prospective qualified traders includes establishing a computer-network based restricted clientele contract trading system accessible only by predetermined groups of prospective qualified traders.

91. The method of claim 70, wherein said predetermined groups of prospective qualified traders are selected from the group consisting of predefined and prequalified prospective qualified traders.

92. The method of claim 70, further providing the step of:
providing a promoter for mediating any dispute related to said restricted clientele contract.

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93. (Amended) In a computer-network based restricted clientele contract trading system electronically accessible by prospective qualified traders, comprising:
means for selling, over said trading system, at least one restricted clientele contract bundle;
means for reselling, over said trading system, at least one restricted clientele contract;
means for settling, over said trading system, at least one restricted clientele contract; and
means for assessing, for at least one of said restricted clientele contract bundle sale and said restricted clientele contract resale, a transaction fee therefor.

94. (Amended) A computer-network based restricted clientele contract trading system in accordance with claim 93, further comprising means for allowing a computer-network user to view information about restricted clientele contract bundles and restricted clientele contracts for sale on said trading system.

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95. (Amended) A computer-network based restricted clientele contract trading system in accordance with claim 93, further comprising means for settling the restricted clientele contract through a web-based electronic interface.

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96. (New) A computer network-based contract trading system of claim 28, wherein said traders are anonymous to each other.

97. (New) A method in accordance with claim 35, wherein the step of settling said contracts includes accepting said contract bundles for redemption prior to an expiration thereof.

98. (New) A method in accordance with claim 35, wherein the step of settling said contracts includes settling said contracts at an expiration thereof.

99. (New) In a computer-based contract trading system for the formation, sale, resale and settlement, and optionally split, of contracts, the system comprising:

a communications interface for sending and receiving data, including trading instructions from traders;

a processor system for executing processing modules;

a first processing module for receiving data to define a desired contract for a predetermined phenomenon, the phenomenon having at least two future possible outcomes at a time of maturity;

a second processing module, responsive to said first processing module, for defining a contract bundle based on said received data, said contract bundle including at least two contracts, each of said at least two contracts corresponding to one of said at least two future possible outcomes of said phenomenon at the time of maturity, said contract bundle being defined to pay an aggregate fixed sum at maturity, each of said at least two contracts paying said fixed sum at maturity upon the happening of the future possible outcome of said phenomenon associated with that contract, each of said at least two risk management contracts paying a zero sum at maturity upon the non-happening of the future possible outcome of said phenomenon associated with that contract;

a third processing module for offering for sale and for selling a plurality of said contract bundles to traders;

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a fourth processing module for accepting for resale from a trader a contract previously sold as part of one of said plurality of contract bundles and for offering for resell and for reselling on behalf of said trader said contract;

a fifth processing module for assessing, for at least one of said contract bundle sale and said contract resale, a transaction fee therefor; and

a sixth processing module for settling, at maturity thereof, contracts, said sixth processing module paying said fixed sum at maturity for contracts corresponding to an actual outcome of said phenomenon associated with that contract.

100. (New) A computer-based contract trading system in accordance with claim 99, further comprising:

a seventh processing module for maintaining and updating account information about traders, said account information including records of contracts held by each trader, transaction fees assessed, and account balance.

101. (New) A computer-based contract trading system in accordance with claim 100, wherein said seventh processing module is adapted to access said account information maintained about said traders and to automatically settle, at maturity thereof, any contract held by a trader which corresponds to an actual outcome of said phenomenon associated with that contract and to update said trader's account information in accordance with said settlement.

102. (New) A computer-based contract trading system in accordance with claim 100, further comprising:

an eighth processing module for accepting contract bundles for redemption prior to maturity thereof and for paying said fixed sum for accepted contract bundles.

103. (New) The method of claim 41, further comprising the step of accepting said coupons for settlement upon demand of a market authority prior to a predesignated maturity period thereof.